

Sen. BAUCUS. Any questions?

VOICE. [Inaudible words.]

NIGEL HOLLOWAY. Yeah. Let me just give you three principles of what's happening in China right now. You have three things. You have what we call persistent feudalism, which is Confucianism—no, chaos collectively. This feudalism is part of the Chinese structure. This mixes in with decaying socialism. And this is socialism's ingrown privilege, a party privilege. Third, you have rapid capitalism. You have corruption, nepotism and growth. They all jam together in today's China.

If you have this growth and if you have feudalism, and if you have this decaying socialism, what results is great disparities of wealth between provinces, et cetera. And the millions of people begin to move towards the productive areas. It's very hard to control because these people live in camps. They have three and four children. They pay no attention to birth control or the national policy. It drives the Chinese wild—who, of course, have some rather draconian methods to keep things down. Basically, I think they have been very successful in keeping control of the population—but it's not very pretty to look at. They think it's crucial to the control of the situation.

What they are trying to do now in a very, very concerted effort is beginning to move investment capitalism into the hinterlands, but they've got to make it competitively attractive, and that's hard to do. They recognize the problem; they recognize it's very serious. It's right at the heart of how you reform state-owned enterprises. Because the conservatives are saying, keep the money flowing. Others say let them go bankrupt and take care of this thing through other means. And it ends up as gridlock in many cases. But, at least, I think they are acutely aware of the problem and are trying to deal with it.

Sen. BAUCUS. You have time for one more question.

QUESTION. [Inaudible words.]

DREW LIU. We touch on the topic of the trade imbalance as China opens up its market. And I would like to say something more about the fundamental problem, the system problem, the structural problem. One of the things is transparency of the legal system. And if you don't have transparency—when the local government, you know, the sector cannot break their own laws—this instantly creates barriers. For instance, on the WTO: The center wants to enter the WTO. The local, some of the local wants to enter the center also, but not without some incentive. But there's some problem in it. That is how to guarantee the Chinese abide by these laws and the standards. And, there are loopholes, you know, that are unpredictable. Our future in China comes without a well established legal system, without transparency and due process.

And the second thing is the political system. For instance, entering the WTO, whether China can do it or not politically, is a question. If, in entering the WTO, the center enforces the regulations—you know, opening its market—then maybe thirty percent of the state-owned workers will be unemployed. A great political problem and a great risk to the Chinese leadership. But are you going to take the risk or not take the risk? And what if the risk becomes threatening and then it [the new policy] reverses in some way. Much uncertainty links to the internal process of the Chinese system.

JIM LILLEY. Okay. I just want to make one comment on agriculture. A terrible problem for China is that agricultural land is shrinking; the harvest is not good. They are going to import more and more grain. It's going to be a big problem and so I would say your ag-

riculture-export possibilities are considerable. Some estimates have China importing as much as 100 million tons of grain by the next century; they have made some bad converting mistakes in terms of agricultural land, industrial land. The solution, people say, is what they call village- and township-enterprises: Basically capitalistic, they are put into the countryside, are use surplus agriculture labor to create small consumer items. But they've gone about increasing agriculture production by importing chemical fertilizers, by developing their own plants. It's really very, very difficult for them. And I see a big market for agricultural products.

Sen. BAUCUS. Okay. We have no more time! Let's give a great round of applause to our panelists: Drew Liu, Nigel Holloway and Jim Lilley. Bob mentioned a packet of information which I think will be very interesting for everyone. I encourage you to go pick up a copy as you leave. I want to thank CELI very much for hosting this event—I want another soon. Thank you.●

DECISION TO EXTEND NPT INDEFINITELY

● Mr. PELL. Mr. President, international efforts to curb the spread of nuclear weapons were given a tremendous boost today with the decision by more than 170 nations to extend indefinitely the Nuclear Non-Proliferation Treaty. The U.S. Arms Control Agency and Ambassadors Ralph Earle II and Thomas Graham, Jr., deserve our deep appreciation.

The decision by the participants in the NPT extension conference demonstrates their willingness to trust us and the other nuclear powers to continue with the effort in SALT and START to reduce our strategic nuclear arsenals, to strive eagerly and effectively to bring about an end to nuclear testing, and to be unflagging in efforts to spare the world from nuclear war and the threat of nuclear war. We have today incurred a renewed obligation to prove to those who trust us that their trust is not misplaced.●

TRIBUTE TO INTERNATIONAL HERITAGE HALL OF FAME INDUCTEES

● Mr. LEVIN. Mr. President, I would like to recognize the accomplishments of four distinguished community leaders from the Detroit area. These four individuals will be inducted tonight, Thursday, May 11, 1995, into the International Heritage Hall of Fame housed at Cobo Center. The inductees have been selected for outstanding service to their respective ethnic groups and the community at large.

The International Institute of Metropolitan Detroit has been working since 1919 to assist immigrants who have arrived in the Detroit metropolitan area. The inductions of the four 1995 honorees will bring the membership in the Hall of Fame, which began in 1984, to 56. The inductees are U.S. Circuit Court Judge Damon J. Keith, the late Daniel F. Stella, Dr. Helen T. Suchara, and Mrs. Barbara C. VanDusen.

U.S. Circuit Judge Damon Keith is a former president of the Detroit Hous-

ing Commission and former chairman of the Michigan Civil Rights Commission. An African-American, Keith has served as a Federal judge since 1967 and was chief judge of the U.S. District Court for Eastern Michigan from 1975 to 1977. He is a graduate of West Virginia State College, the Howard University Law School, and Wayne State University School of Law. He also holds honorary doctorates from those 3 institutions and 24 other colleges and universities. He has held numerous civic positions including national chairman of the Judicial Conference Committee on the Bicentennial of the U.S. Constitution, chairman of the Citizens Council for Michigan Public Universities, and general cochair of the United Negro College Fund.

Daniel Stella was president for 10 years of Friends of the International Institute. An Italian-American who died last July, Stella was instrumental in the establishment of the Hall of Fame and an active promoter of relations between Detroit and its sister city, Toyota, Japan. Mr. Stella was also a partner in the Detroit law firm of Dykema Gossett. He was a graduate of the Harvard Law School, the College of Holy Cross, and the London School of Economics and Political Science, and a member of the Michigan and California bars, among others. He was a director of the Detroit and Windsor Japan-American Society and a member of the Association for Asian Studies, American Citizens for Justice, the Michigan Oriental Arts Society, and the Founders Society and Friends of Asian Art of the Detroit Institute of Arts. Mr. Stella also served in Vietnam with the U.S. Navy Judge Advocate General's Corps.

Helen Suchara, a retired educator, last served as director of the Office of Student Teaching at Wayne State University. A Polish-American, she was a Peace Corps volunteer in Poland from 1990 to 1992 and has begun a new career in public service since her retirement. She holds positions on the Madonna College Social Work Advisory Board and the board of regents of Saginaw Valley State University. She received bachelor's and master's degrees from Wayne State University and a doctorate from Columbia University. She taught at WSU, Columbia, the University of Delaware, the University of Virginia, and Wheelock College in Boston, and earlier in public schools in Detroit and Howell, MI. She has worked on the boards of the International Institute and Friends of the International Institute. She has also worked in affiliation with the Polish-American Congress of Michigan Scholarship Committee, the Catholic Social Services of Wayne County, the Michigan Elementary School Curriculum Committee, and the Dominican Sisters of Oxford Formation Committee.

Barbara VanDusen is a member of the executive committee of Detroit